Four times a year, USDA's Refrigerated Transport Quarterly (RTQ) provides a view of refrigerated truckload movements, in terms of volume and rates, to gauge the component of truck transportation that serves fresh fruit and vegetable markets. The RTQ highlights the major produce shipping regions, including Arizona, California, Florida, the Pacific Northwest, Texas, and Mexico. The RTQ also features a rotating regional focus and a review of relevant issues that impact fresh fruit and vegetable truck transportation.

Total Refrigerated Truckloads 4Q 2003

Refrigerated Truckloads Decline and All Rates Rise.

According to USDA fruit and vegetable marketing reports, the top refrigerated truck shipments from major U.S. production regions decreased in the fourth quarter (4Q) of 2003, compared with 4Q 2002. The decline sustains a trend that began in the second quarter (2Q) and continued in the third quarter (3Q) of 2003. Commodity shipping regions tracked by USDA indicate 157,696 refrigerated truckloads (TL) of fresh fruit and vegetables were transported by motor carrier in 4Q 2003, compared with 177,825 TLs shipped in 4Q 2002, a difference of 20,129 TLs or 11 percent.

What's Inside? Move your cursor over a topic, hit 'Ctrl' key, and click				
Cen. California TLs	2			
So. California TLs	2			
<u>Florida TLs</u>	3			
Mexican TLs	3			
Pacific Northwest TLs	4			
Texas TLs	4			
Truck Rate Index	5			
PNW Fresh Focus	6			

Some highlights during the 4Q 2003 include Arizona broccoli TLs reporting a 34 percent decrease, and both Pacific Northwest apples and Florida peppers down by 24 percent, compared with 4Q 2002.

Since USDA began tracking and reporting

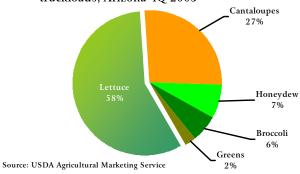
refrigerated truck rates, all of the truck route rates increased except for mixed vegetables from Southern California to New York, compared with the previous year. In addition, a weighted average calculation for each commodity group is consistent with the overall rise in refrigerated truck rates.

Regional Refrigerated Truckloads 4Q 2003

Arizona TLs

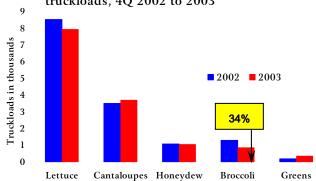
Arizona lettuce dominated refrigerated TL movements in 4Q 2003, capturing 58 percent in this regional market (figure 1).

Figure 1. Percentage share of refrigerated truckloads, Arizona 4Q 2003



Arizona broccoli TL shipments declined in 4Q, compared with last year at this time. Broccoli TLs were 1,295 in 2002 and dropped to 857 in 2003, a 34-percent decline (figure 2).

Figure 2. Top five Arizona refrigerated truckloads, 4Q 2002 to 2003

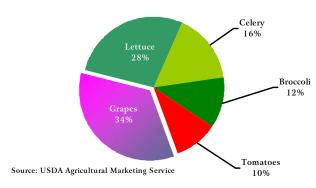


Regional Refrigerated Truckloads 4Q 2003

California TLs

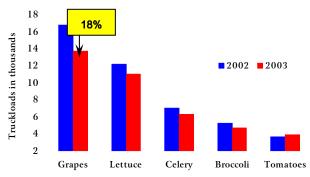
As in 3Q 2003, the **central California** refrigerated TL mix has double-digit percentage shares for each of the top five commodities in this TL market. Grapes are the top TL commodity in this region for 4Q 2003, with a 34-percent share of the central California market (figure 3).

Figure 3. Percentage share of refrigerated truckloads, central California, 4Q 2003



While grapes were the top commodity from **Central California** during 4Q, grape shipments decreased in this region from 16,780 TLs in 2002 to 13,701 TLs in 2003, an 18-percent decline (figure 4).

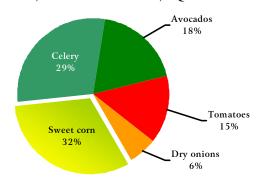
Figure 4. Top five central California refrigerated truckloads, 4Q 2002 to 2003



Source: USDA Agricultural Marketing Service

Southern California sweet corn is the top TL commodity from this region in 4Q 2003 with a 32-percent share of the southern California market. Celery captured a 29-percent share (figure 5).

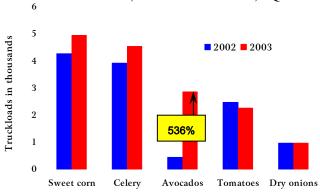
Figure 5. Percentage share of refrigerated truckloads, southern California, 4Q 2003



Source: USDA Agricultural Marketing Service

Southern California avocado shipments reported more than a fivefold increase in this region from 450 TLs in 4Q 2002 to 2,863 TLs in 2003 (figure 6).

Figure 6. Percentage share of refrigerated truckloads, southern California, 4Q 2003



Source: USDA Agricultural Marketing Service

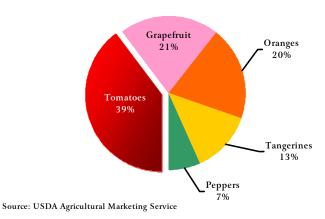
A complete list of the select regional TL commodities tracked by USDA with TL calculations and truckload shipment listings for 4Q 2002 and 2003 is available at www.ams.usda.gov/tmd2/rtq/.

Regional Refrigerated Truckloads 4Q 2003

Florida TLs

Florida tomatoes were the top refrigerated commodity during 4Q 2003 with a 39-percent share. The combined citrus volumes moving out of Florida were also significant with a 54-percent share (figure 7).

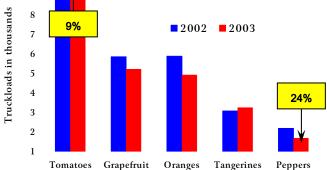
Figure 7. Percentage share of refrigerated truckloads, Florida, 4Q 2003



Refrigerated tomato truck shipments increased by 9 percent from 9,040 TLs in Q4 2002 to 9,889 TLs in 2003. Meanwhile, pepper shipments declined by 24 percent, from 2,185 TLs in 2002 to 1,669 TLs in 2003 (figure 8).

Figure 8. Percentage share of refrigerated truckloads, Florida, 4Q 2003

10
9
8
7
2002 2003

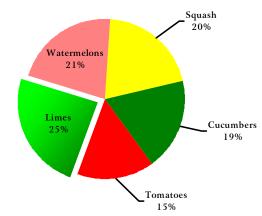


Source: USDA Agricultural Marketing Service

Mexico TLs

As reported in 3Q 2003, **Mexican** limes captured the largest market share with a 25-percent share of refrigerated TL shipments in 4Q 2003 (figure 9).

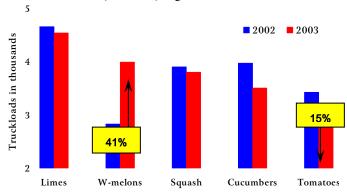
Figure 9. Percentage share of refrigerated truckloads, Mexico, 4Q 2003



Source: USDA Agricultural Marketing Service

Watermelon TL shipments increased from 2,840 in 4Q 2002 to 4,000 TLs 4Q 2003, a 41-percent gain. In addition, tomatoes declined from 3,434 TLs in 2002 to 2,909 TLs in 2003, a 15-percent decrease (figure 10).

Figure 10. Percentage share of refrigerated truckloads, Mexico, 4Q 2003

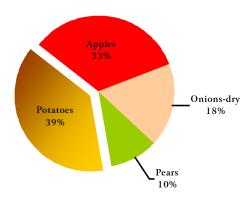


Regional Refrigerated Truckloads 4Q 2003

Pacific Northwest TLs

Pacific Northwest (PNW) potatoes rank first with a 39-percent share of the refrigerated TL shipments in 4Q 2003 (figure 11).

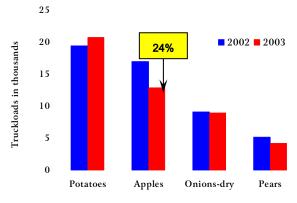
Figure 11. Percentage share of refrigerated truckloads, Pacific Northwest, 4Q 2003



Source: USDA Agricultural Marketing Service

Apple truck shipments from the **PNW** declined in 4Q by 4,089 or 24 percent. PNW apple TLs reported 16,936 in 4Q 2002, compared with 12,847 TLs in 4Q 2003.

Figure 12. Percentage share of refrigerated truckloads, Pacific Northwest, 4Q 2003

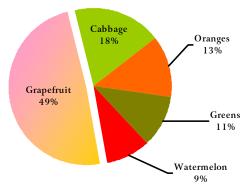


Source: USDA Agricultural Marketing Service

Texas TLs

Texas grapefruit is the top refrigerated fresh commodity moving from this region to various markets throughout the United States in 4Q 2003 (figure 13).

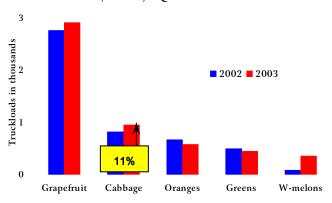
Figure 13. Percentage share of refrigerated truckloads, Texas, 4Q 2003



Source: USDA Agricultural Marketing Service

Refrigerated cabbage truck shipments from Texas increased by 11 percent in 4Q from 1,070 TLs in 2002 to 1,191 TLs in 2003 (figure 14).

Figure 14. Percentage share of refrigerated truckloads, Texas, 4Q 2003



Refrigerated Truckload Rates 4Q 2003

The Rise in Year-to-Year Quarterly Rates Continues. Maintaining a trend throughout 2003, yearly refrigerated produce transportation rates tracked by USDA increased during 4Q 2003, compared with last year. For the first time since USDA began tracking and reporting these rates, all commodity origin/destination (O/D) pairs increased except rates for mixed vegetables from Southern California to New York, compared with the previous year (table 1). The rise in rates is also consistent when calculating a weighted average, compared to a representative sample for amount of volume moving in each commodity group during 2003 (table 2 and figure 14).

Quarter-to-Quarter Rates Increase. Overall, refrigerated truck rates from 3Q to 4Q 2003 increased. Twelve O/D pairs rose, while five O/D pairs decreased, and two O/D pairs report similar rates (table 1).

Table 1. Fruit & vegetable truck rate index

	Origin	Destination	(\$) Rates					(\$) Rates per mile				3Q	4Q		
/			2003			2002	Miles	2003				2002	to '02 4Q to	to	
<u> </u>			4Q	3Q	2Q	1Q	4Q		4Q	3Q	2Q	1Q	4Q	2003	'03
Citrus fruit	Southern California	Atlanta	3,035	2,846	3,275	3,523	2,836	2,156	1.41	1.32	1.52	1.63	1.32	A	A
		New York	3,920	3,615	4,312	4,414	3,745	2,776	1.41	1.30	1.55	1.59	1.35	A	A
	Texas	New York	2,440	2,492	2,492	2,333	2,325	2,092	1.17	1.19	1.19	1.12	1.11	•	A
Mixed vegetables	Arizona	New York	3,856	2,419	4,178	4,128	3,729	2,543	1.52	0.95	1.64	1.62	1.47	A	A
	Central California	Atlanta	3,219	3,631	3,638	3,695	2,925	2,328	1.38	1.56	1.56	1.59	1.26	•	A
		Chicago	2,950	3,100	3,142	3,205	2,450	2,148	1.37	1.44	1.46	1.49	1.14	•	A
		New York	4,038	2,650	4,712	4,410	3,483	2,944	1.37	0.90	1.60	1.50	1.18	A	A
	Florida	Chicago	1,659	1,712	1,844	1,844	1,388	1,380	1.20	1.24	1.34	1.34	1.01	V	A
		New York	1,939	1,887	2,177	2,177	1,820	1,293	1.50	1.46	1.68	1.68	1.41	A	A
	Southern California	Atlanta	3,900	3,900	3,700	3,567	2,988	2,156	1.81	1.81	1.72	1.65	1.39	_	A
		New York	2,423	2,423	4,825	4,900	3,863	2,776	0.87	0.87	1.74	1.77	1.39	_	▼
	Texas	New York	2,486	3,688	2,939	2,805	2,325	2,006	1.24	1.84	1.47	1.40	1.16	V	A
Potatoes	Pacific Northwest	Atlanta	2,574	2,380	2,595	2,620	2,378	2,033	1.27	1.17	1.28	1.29	1.17	A	A
		New York	3,420	1,853	3,322	3,389	3,142	2,344	1.46	0.79	1.42	1.45	1.34	A	A
Tree fruit	Central California	Atlanta	3,222	2,442	3,608	3,545	3,004	2,328	1.38	1.05	1.55	1.52	1.29	A	A
		Chicago	2,922	2,862	3,131	3,123	2,475	2,148	1.36	1.33	1.46	1.45	1.15	A	A
		New York	4,066	2,415	4,681	4,482	3,783	2,944	1.38	0.82	1.59	1.52	1.29	A	A
	Pacific Northwest	Atlanta	3,921	3,700	3,432	3,550	3,527	2,535	1.55	1.46	1.35	1.40	1.39	A	A
		New York	4,286	4,038	3,975	3,886	3,972	2,849	1.50	1.42	1.40	1.36	1.39	A	A

Source: USDA, Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch. Access the individual weekly reports online at www.ams.usda.gov/mnreports/wa_fv190.txt. **For additional details see Explanatory Notes.**

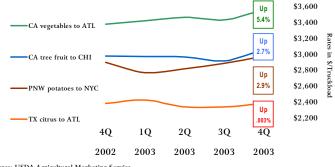
Regional Refrigerated TL Rates 4Q 2003

Weighted Average Rates Show Increases. Select commodity groups, when matched with rates for a weighted average, indicate increases in 2003 (table 2).

Table 2. Quarterly weighted averages 2002 to 2003							
Commodity/origin/destination	2002	2003	2003	2003	2003		
	4Q	1Q	2Q	3Q	4Q		
CA vegetables to ATL	\$ 3,381	\$ 3,425	\$ 3,465	\$ 3,434	\$ 3,563		
CA tree fruit to CHI	\$ 2,981	\$ 2,976	\$ 2,966	\$ 2,921	\$ 3,061		
PNW potatoes to NYC	\$ 2,897	\$ 2,773	\$ 2,823	\$ 2,886	\$ 2,981		
TX citrus to ATL	\$ 2,384	\$ 2,427	\$ 2,343	\$ 2,343	\$ 2,392		

Rates for central California fresh vegetables moving to Atlanta reported the largest increases. In 4Q 2002, rates were on average \$3,381 and then rose to \$3,563 in 4Q 2003, up 5.4 percent. California tree fruit moving to Chicago also rose, from \$2,981 in 4Q 2002 to \$3,061 in 2003, an increase of 2.7 percent. Pacific Northwest potatoes moving to New York, increased by 2.9 percent, up from \$2,897 in 4Q 2002 to \$2,981 in 4Q 2003. Finally, Texas citrus moving to Atlanta was virtually the same, from \$2,384 in 4Q 2002 to \$2,392 in 4Q 2003 (figure 14).

Figure 14. Annual Truckload Commodity Group Rates 4Q 2002 to 2003



Source: USDA Agricultural Marketing Service

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Regional Refrigerated Focus 4Q 2003

Pacific Northwest Produce

The historical strength of Pacific Northwest (PNW) produce during 4Q is featured as the regional focus. The scope of this section includes data from Idaho, Oregon and Washington. Fresh PNW commodities move from Washington production centers primarily from the Columbia River Valley, the Yakima Valley and the Wenatchee district. Oregon production occurs primarily from Malheur County. Fresh Idaho produce comes primarily from the Upper Valley, Burley and Twin Falls area districts. These fresh fruits and vegetables move from this region to major distribution points in Atlanta, GA; Chicago, IL; Dallas, TX; Denver, CO; and New York.

4Q 2003 Shipping Volumes

PNW refrigerated TL movements in 4Q 2003 declined compared with last year. Specifically, 50,601 TLs shipped for the top 4 fresh commodities in 2002. During 4Q 2003, 46,735 TLs moved, an 8 percent drop (table 4).

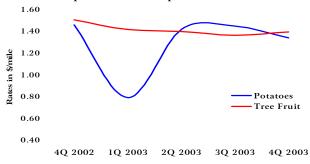
Table 3. PNW's Top Refrigerated Truckloads, 4Q 2003							
Rank	Commodity	Truckloads					
Kalik	Commodity	2002	2003				
1	Potatoes	19404	20720				
2	Apples	16936	12847				
3	Dry onions	9129	8955				
4	Pears	5131	4213				
Т	otal	50,601	46,735				

Recent Pricing and Shipping Rates

PNW refrigerated truck rates to New York, indicate some divergent behavior during 4Q 2003. Rates per mile declined significantly for potatoes but only slightly for tree fruit year-to-year. Potato rates to New York dropped by 67 cents, from \$1.46 in 1Q 2003 to \$.79 in 2Q 2003. However, potato rates then rose and stabilized beginning in 2Q 2003. Also rates declined by 9 percent, compared with the previous year, at \$1.34 per mile. In contrast, PNW tree fruit rates (shipping pears and apples during 4Q) to New York were relatively stable, with a quarter-to-quarter increase of 3 cents from \$1.36 per mile in 3Q 2002 to \$1.39 in 4Q 2003, and 7 percent lower than \$1.50 for rates in 2002 (figure 15).

Refrigerated Regional Focus 4Q 2003

Figure 15. Refrigerated Pacific Northwest fresh produce in rates per mile to New York



Source: USDA Agricultural Marketing Service

The rates also illustrate the dynamics of the regional market. PNW potatoes compete with lumber and fresh cut trees for shipping services in 4Q, when demand is highest. Then rates decline in 1Q as demand for services recedes and producers shift their stocks from "old" to "new" season inventories. As a result, rates fell from \$2,897 in 4Q 2002 to \$2,773 in 1Q 2003. Rates then climbed each quarter to \$2,981 in 4Q 2003, reporting a 3 percent increase from the previous year (figure 16).

Figure 16. Weighted Average Rate PNW potatoes to NYC

